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CANN

GROUP LIMITED

**INVESTOR PRESENTATION
APRIL 2018**

Allan McCallum, Chairman
Peter Crock, Chief Executive Officer

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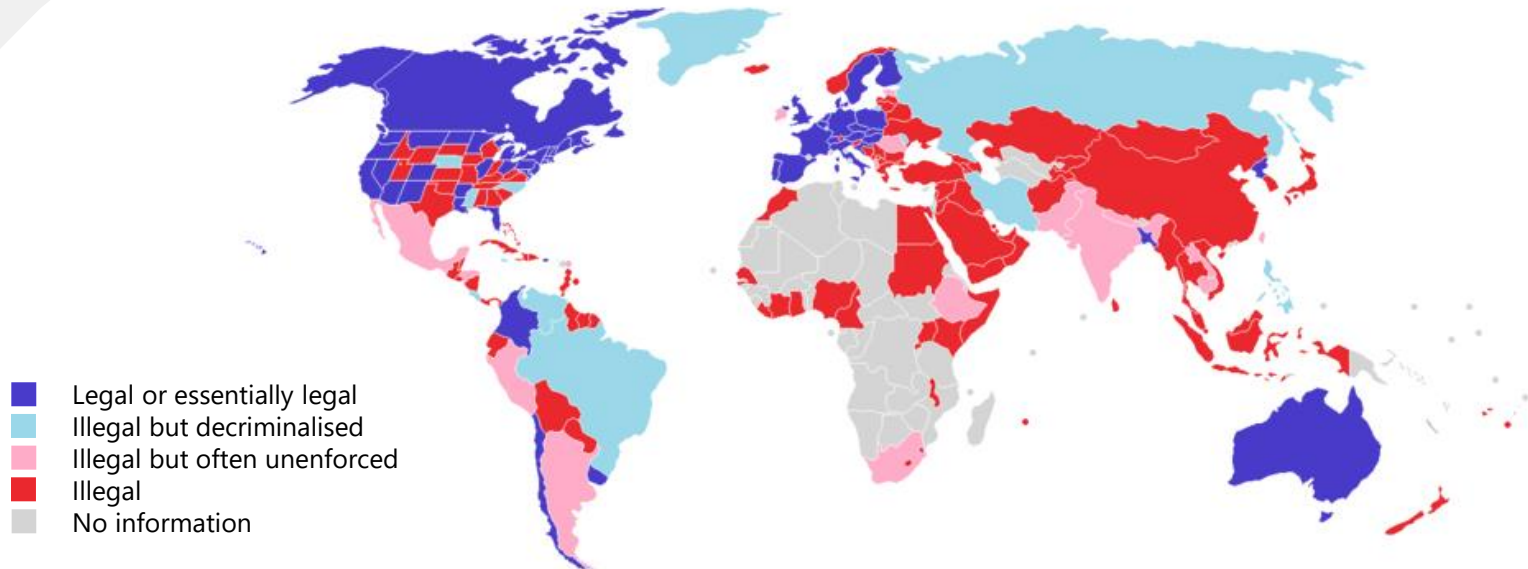
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A substantial & rapidly growing global market



- Medicinal cannabis legalised (or decriminalised) in 26 (58) countries across North & South America, Europe & Australia
- Global market size expected to reach US\$55.8 billion in revenues by 2025¹
- Multiple additional markets expected to legalise medicinal cannabis within next five years
- Recreational use in markets such as Canada (scheduled to be legalised in 2H18) placing increasing pressure on supply

¹ <http://www.grandviewresearch.com/industry-analysis/medical-marijuana-market>

Australia – a quickly evolving market

5

REGULATORY STATUS

- Access legalised in 2017
- Jan 2018 – Legislation passed allowing export of medicinal cannabis
- 2018 – State hurdles removed in Victoria & NSW

LICENCES

- Office of Drug Control (ODC) is relevant authority for granting of licences & permit
- Separate licences/permits required for research; cultivation; manufacturing; export
- Cann Group holds one of the only permits to cultivate medicinal cannabis in Australia

CLINICAL ACTIVITY

- Victorian Government expands paediatric epilepsy trial
- Numerous clinical trials expected to commence within 2018

PRESCRIPTION PROCESS

- Special Access Scheme allowing patient prescription immediately

Australia is a potential \$1b pa local industry based on an estimated 1.2% of the population using cannabis for medicinal purposes¹

CONDITION	PATIENT NUMBERS (TOTAL POOL) ²
Arthritis	3,850,000
Cancer	130,000
Chronic pain	4,855,000
Epilepsy	146,000
Multiple Sclerosis	24,300
Osteoporosis	652,500
Parkinson's	69,400

1. Canaccord Genuity

2. Cann's assessment of patient pools, based/ on industry body (by condition) data

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THE EXPORT OPPORTUNITY

There is a significant export market opportunity for quality approved Australian medicinal cannabis

The Canadian Opportunity – demand expected to outpace supply¹

- Canada is providing the “lead” from both a regulatory & business structure perspective
- 235,621 registered patients & 2,643 medical practitioners registered as at 31 December 2017²
- Health Canada forecasts 450,000 patients will use medicinal cannabis by 2024 with potential demand of 130,000 – 250,000 kg per annum¹
- Recreational use, to be legalised in 2018, sees forecast demand of 650,000 kg¹
- Demand is expected to outpace supply, notwithstanding significant investment currently being undertaken to increase capacity in Canada
- Significant opportunity for Australia to become a supplier of value-added medicinal cannabis product

European medicinal cannabis opportunities

- European markets are increasingly important to the cannabis sector. Each has a funded medical system, residents who seek natural & complementary therapies, & a government-supported mandate to stop the rising opiate addiction related to chronic pain treatment
- Medical cannabis is currently authorised as a medicine in 18 European countries³. In some of these countries, national health insurance systems will reimburse the cost under certain conditions, such as prior approval or prescription by specialists
- Germany has legalised medicinal cannabis for patients with a prescription. Insurance companies cover the costs of upwards of 100 grams of the flower per month for chronically & terminally ill patients – estimated 30,000 patients registered in the first year⁴
- Cann’s major shareholder, Aurora Cannabis, has been granted an import licence to supply medicinal cannabis into Germany

Given Canada’s population of 36 million compared with Germany’s population of 83 million, the European export opportunity is substantial

¹ Canaccord Genuity

² <https://www.canada.ca/en/health-canada/services/drugs-health-products/medical-use-marijuana/licensed-producers/market-data.html>

³ Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, United Kingdom.

⁴ Deutsche Welle: <http://www.dw.com/en/germanys-medicinal-cannabis-market-struggles-with-short-supply-and-high-costs/a-42262542>

CANN GROUP IS AN INDUSTRY LEADER IN AUSTRALIA

7

- First Australian recipient of research & medicinal cannabis cultivation licences; only company to have licences reissued for year two
- Permits granted for two cultivation & R&D facilities currently operational in Victoria – Southern Facility (~180m² grow capacity) & Northern Facility (600m² grow capacity), currently expanding for genetics program at both sites
- Funding secured for major phase 3 expansion program
- Integrated player, with existing or planned involvement across full value chain
- Major Canadian producer Aurora Cannabis holding a strategic 22.9% stake in Cann Group
- Key relationships with Aurora Cannabis, Agriculture Victoria, CSIRO, La Trobe University & Anandia Labs add substantial value in areas including genetics, analysis & research, manufacturing capability & industry know-how



STRATEGIC INVESTOR: AURORA CANNABIS INC.

One of Canada's largest publicly-listed cannabis companies, Aurora (TSXV:ACB) holds a 22.9% strategic shareholding in Cann

- Developing one of the largest production footprints with a purpose-built, state-of-the-art production facility specifically designed for growing & cultivating cannabis. Facilities in Alberta, Saskatchewan & Ontario.
- May 2017 – invested \$6.5m in Cann Group IPO for 19.9% stake
- July 2017 – Signed five year Technical Services Agreement with Cann to facilitate the exchange of information & support across areas including plant genetics, cultivation & processing of medicinal cannabis, extraction & manufacturing technology & analysis of cannabis extracts
- December 2017 – increased stake in Cann to 22.9% as part of institutional capital raising
- March 2018 – Aurora executive Neil Belot joins the Cann Board
- March 2018 – Aurora to supply tissue culture & oils for use by Cann, extending Cann's genetics bank beyond what is locally available & opening access for patients under Australia's Special Access Scheme & Authorised Prescriber Scheme



Aurora brings a wealth of experience, networks & industry knowledge to Cann & is supporting Cann's growth strategy

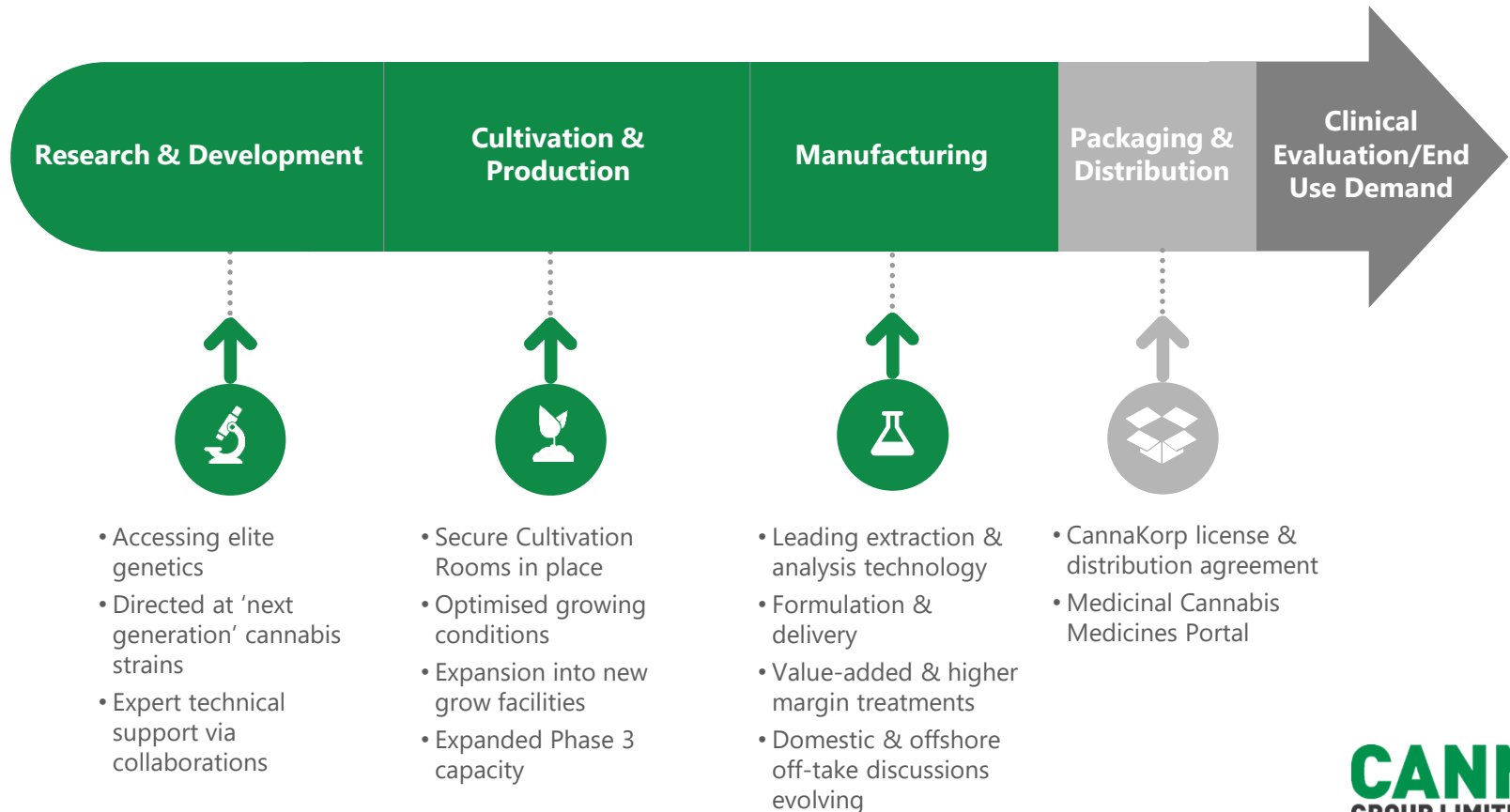
BUSINESS MODEL & THE INDUSTRY VALUE CHAIN

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FEDERAL & STATE GOVERNMENT REGULATED

Cann's competitive strengths lie in these segments of the value chain...

...with a clear pathway to secure involvement in these segments



GROWTH STRATEGY

10

Cann is well progressed with its three phase growth strategy to substantially expand its cultivation capability, with funding in place to complete Phase 3

Southern facility's three additional indoor grow rooms increases capacity to ~180m²

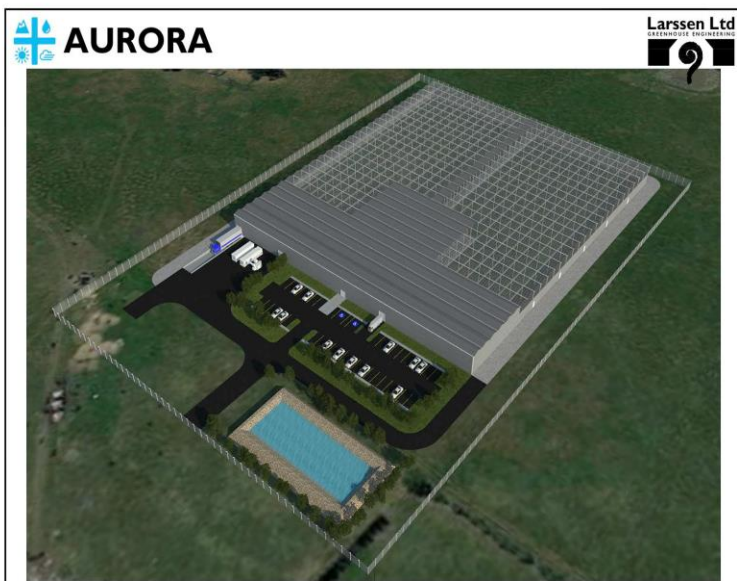
Northern facility secured & commissioned – ~600m² flowering room capacity

Greenfield facility including GMP manufacturing ~23,500m²
\$50-55M capex

PHASE 1

PHASE 2

PHASE 3



- ~ 14,000m² "flowering" production area
- Contract discussions advanced with Larssen Ltd – a specialist greenhouse engineering consultancy is proposed to be retained to provide engineering & technical consulting advice on arm's length terms (acquired by Aurora – Nov 2017)
- Site selection imminent – subject to obtaining various planning permits & regulatory approvals (approval process underway), facility expected to be operational 1H2019
- Modular design allows for ease of future expansion at other sites subject to demand & regulatory approvals

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Various images from propagation, cultivation & harvest at Cann's Southern facility

- Building IP portfolio with R&D program focused on variety & cannabinoid profile development
- Wisp® vapouriser system development program
- CSIRO research program
- Accelerated breeding program – Agriculture Victoria
- Anandia elite genetics

UPCOMING MILESTONES

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Site selection of Phase 3 facility

Imported oil available for SAS prescription

Tissue culture quarantine clearance

Product available for export

Clinical trial involvement

Commissioning of Phase 3 facility

2019

2018

BOARD & MANAGEMENT TEAM

The team has deep experience in the Australian & Canadian agribusiness, biotech & pharma sectors, along with proven entrepreneurial & business development expertise

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3



**ALLAN MCCALLUM,
CHAIRMAN**

- Allan has extensive experience in the agribusiness sector as well as significant tenures with biotechnology companies
- Chairman of Tassal (ASX:TGR) and Non Executive Director of Medical Developments International (ASX:MVP)
- Former Director of IncitecPivot (ASX:IPL)



**PHILIP JACOBSEN,
NON-EXECUTIVE
DIRECTOR / DEPUTY
CHAIRMAN**

- Experienced public company director
- Co-founded Premier Artists & Frontier Touring Company
- Very strong financial management background & success in building businesses in evolving & competitive markets
- Director of Liberation Music, Premier Artists, The Harbour Agency and former Chairman of MCM Entertainment



**DOUG RATHBONE,
NON-EXECUTIVE
DIRECTOR**

- Doug is an Industrialist with vast experience in chemicals & agrochemicals industry / international business. He has expertise in specific functional areas & has chemical engineering & commerce background
- Formerly CEO & Managing Director at Nufarm (ASX:NUF), & earlier, Managing Director of Nufarm Australia, with over 35 years in total with the company
- Former Director of Commonwealth Scientific & Industrial Research Organisation (CSIRO)
- Non-Executive Director of Leaf Resources (ASX:LER)



**GEOFF PEARCE,
NON-EXECUTIVE
DIRECTOR**

- More than 40 years' experience, including owning & growing Scental Pacific Pty Ltd which was sold to the Smorgon family Geoff created & built a contract manufacturing business Beautiworx Australia Pty Ltd, (sold to BWX Limited in January 2014). CEO of Beautiworx & director of BWX in the lead-up to ASX listing in 2015
- Chairman of Probiotec (ASX:PBP)
- Proven experience in business development & an in-depth knowledge of manufacturing, packaging & distribution



**NEIL BELOT,
NON-EXECUTIVE
DIRECTOR**

- Neil is Chief Global Business Development Officer of Aurora Cannabis Inc. (TSXV:ACB) – Cann's largest shareholder. He is responsible for developing & executing business opportunities on behalf of Aurora
- Neil was an Executive Director of the Canadian Medical Cannabis Industry Association & the Gas Portfolio & Energy Services Manager at the Housing Services Corporation, both Canadian entities



**PETER CROCK,
CHIEF EXECUTIVE
OFFICER**

- Peter joined Cann Group as CEO in April 2016, resetting the business plan as directed by the board, and led the company through the licence application and IPO process
- An experienced senior manager with strong skills in marketing & technology development
- Twenty-eight years with Nufarm Group, most recently working in the rapidly evolving "Ag Tech" space. Other senior management roles covering R&D, IT, marketing & business development
- Extensive experience working with regulators locally & overseas

CONTACTS

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Appendix

CAPITAL STRUCTURE

Since listing on the ASX in May 2017 at an IPO of \$0.30 per share, Cann's share price has performed strongly & rewarded its investors

METRIC	VALUE
Share price	\$2.62
Shares on issue (fully diluted)	142.65m
Market capitalisation	\$373.75m
Cash	~\$85m
Enterprise value	~\$288.75m

Share trading volume and closing price



Cann is one of the strongest performing IPOs on the ASX over the past several years, delivering +900% returns from the IPO. This illustrates a growing interest in the value that can be generated in the Australian medicinal cannabis industry.

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MEDICAL ACCESS IN AUSTRALIA

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- Current methods of accessing medicinal cannabis in Australia:
 - Special Access Scheme – provides for the import/supply of an unapproved therapeutic good for a single patient, on a case-by-case basis
 - Authorised Prescriber Scheme – enables medical practitioners to prescribe specific unapproved therapeutic goods to a patient with a particular condition
 - Clinical Trials
- Randomised controlled trials

GROWTH CYCLE & TECHNOLOGY DEVELOPMENT

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9

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18-24 hours light per day

Cuttings every
two weeks



Mother plants



Propagation
10-14 days



Vegetative
21-28 days

Re-pot

Less than 12 hours light per day

6-9 week duration



Flowering

Re-pot

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